

Ideology or Pragmatism? U.S. Economic Aid, Military Assistance, and Foreign Military Sales: 1950-2007

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Introduction

As long as there are challenges to the United States national interests, Security [military] assistance, or the transfer of arms and the providing of economic assistance for security reasons, will remain at the forefront of our national security and foreign policies. Security [military] assistance serves our interests by assisting allies and friends to acquire and maintain the capability for self defense[1]

The National Security Council (NSC), created by the 1947 National Security Act, gives the Executive Branch of government the most direct influence over U.S. Foreign Policy. More specifically, it grants the president greater oversight and control of U.S. foreign policy. Economic aid, military assistance, and Foreign Military Sales (FMS) are but a few of the more significant means available to the Executive Branch when exercising foreign policy. Economic aid and military assistance fall within the Foreign Aid program and comprise approximately 50 percent of the foreign aid budget. All three of these foreign assistance instruments and their respective budgets are Congressionally authorized and directly support the President's national security strategy.[2]

This article analyzes the influences on the Executive Branch's foreign policy decisions regarding the use of U.S. economic aid, military assistance, and FMS from 1950-2007 against events occurring throughout this same period. A detailed examination of the levels of aid provided to Ethiopia and Somalia is conducted as a means of further testing the notion that Executive Branch pragmatism influences Presidential Administrations more often than ideology when determining the type/quantity of economic aid, military assistance, and FMS provided to countries. We suggest that U.S. foreign aid and FMS are increasingly managed in a pragmatic, reactive manner rather than in an ideological manner, responding to significant events such as war, terrorist attacks, natural disasters, and coups, with program utilization and funding levels varying significantly in response to U.S. public opinion and Congressional posturing.

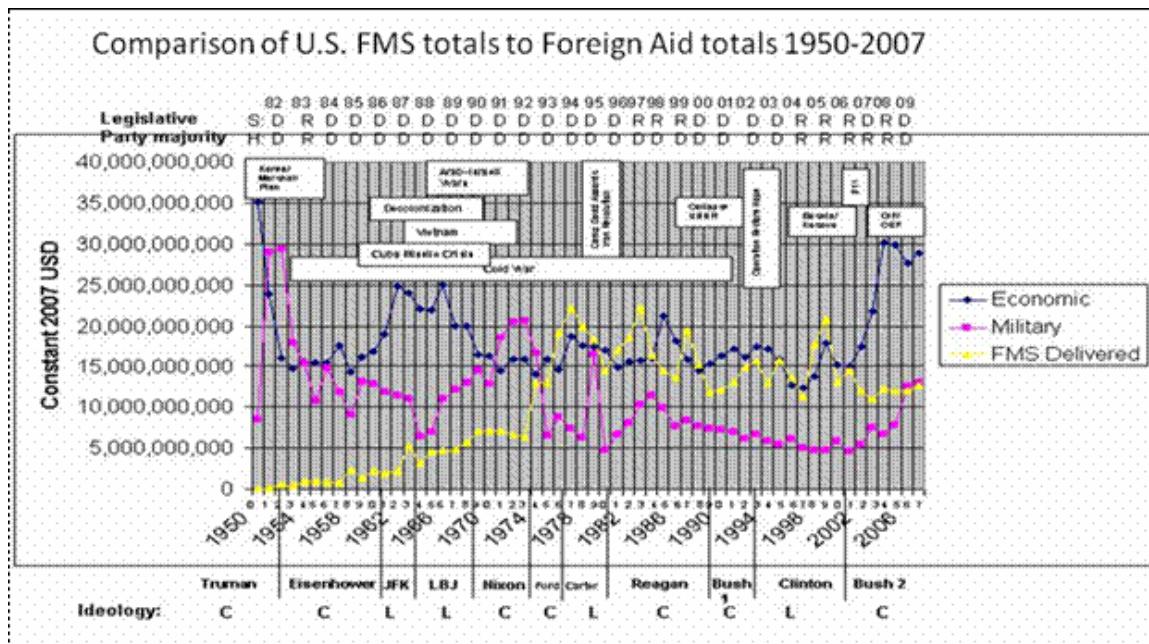
Foreign Aid (Economic Aid and Military Assistance) and FMS Overview

For the period 1950-2007, [Figure 1](#) shows that economic aid was the most funded instrument utilized, Foreign Military Sales (FMS) figures indicate a generally upward funding trend, while

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military assistance depicts the most varied degree of relative funding, further indicating a generally downward funding trend.

Figure 1[3]



In 1950, the U.S. provided (in constant 2007 U.S. dollars) its highest level of foreign economic aid. A precipitous decline ensued for the next decade. Economic aid rapidly climbed in the early 1960s during the Kennedy Administration, and again in the mid-1980s during the Reagan Administration. Finally, economic aid significantly increased in 2003-2007 during the George W. Bush Administration. FMS sales started at very low levels in 1950 and gradually increased to the point where, in 1975, they surpassed military assistance. From that point forward, FMS sales exceeded military assistance by a significant margin until 2006/7. Military assistance dropped from very high levels in 1952 and 1953, briefly spiked in the early 1970s, subsequently dipped beneath FMS sales and economic aid, spiked again in 1979, and has since remained relatively low.

Truman's Marshall Plan accounts for the high level of economic aid in 1950. The significant increase in military assistance during 1951—some \$800 million—is the direct result of assistance provided to South Korea to fight the Korean War.^[4] The levels of U.S. military assistance remained relatively high during President Eisenhower's tenure, even after combat operations during the Korean conflict ceased. Eisenhower established a "New Look" defense policy centered on the concept of meeting America's security objectives with efficient use of resources, while being fiscally responsible. He believed that military assistance performed an essential role in his policy. Military assistance was essential because Eisenhower's policy relied on reducing the number of U.S. ground troops overseas by equipping foreign soldiers to replace them. Officials within his Administration often said it was less expensive to sustain a foreign soldier than a U.S. soldier.^[5] Needless to say, this was a pragmatic viewpoint regarding foreign aid.

President Kennedy's commitment had both ideological and pragmatic underpinnings. During his Administration, the primary focus was on expanding economic aid programs, as evidenced by the funding spike depicted in 1962. Kennedy established the U.S. Agency for International Development (USAID), indicating his commitment to international development and the decolonization of Africa. Pragmatism is evident in the strategic assessments promulgated during

this time, which identified the Third World as a "crucial Cold War Battleground."^[6] Undoubtedly, his Administration saw the strategic necessity to counterbalance Soviet foreign aid and influence. FMS expenditures increased by approximately three billion dollars between 1962 and 1963, while there was only a slight, gradual decline in military assistance—both a pragmatic and ideological focus to counter Soviet influence efforts.

Military assistance more than doubled during President Lyndon B. Johnson's time in office due to his escalation of the war in Vietnam. FMS also increased by approximately \$3.9 billion during this period. However, these increases are not completely attributed to the Vietnam War, since funds were also provided to Israel in response to 1967's Israeli-Arab Six Day War—both a pragmatic and ideological response designed to promote peace, stability, and other U.S. interests in the Middle-East.

The spike in military assistance disbursement that occurred in 1971-1973 during the Nixon Administration can be attributed to the "Nixon Doctrine."^[7] These rises were primarily due to an escalation of military assistance to Vietnam and support to Saudi Arabia and Iran.^[8] Similar to President Eisenhower's "New Look" doctrine, President Nixon's concept was to meet America's security commitments by substituting a significant increase in military equipment and training grants, when possible, for U.S. ground troops.^[9] The Nixon Administration's focus on using limited financial resources, primarily on military assistance, could certainly be described as being more pragmatic than ideological. Furthermore, his Administration likely did not want to increase the U.S. budget deficit in order to sustain previous levels of economic aid.

It is also important to note that between 1971-1973 military assistance exceeded economic aid by almost \$5 billion annually. These data points are significant because it is one of two periods from 1950-2007 when economic aid was surpassed by military assistance. [Figure 1](#) further illustrates that increases in military assistance occurred, while economic aid and FMS totals remained constant throughout Nixon's Administration.

During President Ford's Administration, there were significant changes to U.S. foreign aid expenditures. In 1974, military assistance dropped approximately \$10 billion from the previous year. A major reason for the decline was the U.S. drawdown from the Vietnam conflict. Furthermore, prior to the 1973 Yom Kippur War, most of the U.S. military assistance provided to Israel was done with financing that required repayment. In 1974, \$1.5 billion of FMS sales to Israel that were credit-financed were waived.^[10] This \$1.5 billion eliminated much of the military finance debt that Israel owed the United States up to that point. After the 1974 U.S.-brokered peace meetings, the majority of military assistance provided to Israel was through grants.^[11] This same year was also when FMS sales dramatically increased and continued increasing until 1977. The data suggests that the Ford Administration likely disregarded some of the growing public and Congressional displeasure with military assistance by providing FMS equipment to Israel and then waived repayment. This essentially meant his Administration provided military assistance that was accounted for under the FMS totals.

In a separate 1974 issue, President Ford responded to rising domestic concerns over human rights violations by ceasing military assistance to Augusto Pinochet's Chilean government. Concurrently, his Administration significantly increased FMS sales to Latin America.^[12] The sharp increase in FMS from \$13 billion at the beginning of his Presidency to over \$22 billion in the last year of his Presidency is also a notable pragmatic approach.

President Carter began his term by announcing his determination to significantly reduce arms transfers; he further specified that arms transfers would be used as an "exceptional policy instrument." He specified that his foreign policy goals would include a "pronounced emphasis on human rights and moral considerations ... and to restrict the level of global armaments."^[13] It is clear that early in his Presidency, President Carter's decisions were influenced more by ideology than pragmatism. Part of the reason for the president's announcements based on "moral

considerations" was the substantial rise in public sentiment against providing foreign aid to nations who were responsible for human rights violations.

Despite his policy goals, the data indicates that the Carter Administration actually increased military assistance by \$10 billion in 1979. One can make a strong argument that although this may have contradicted President Carter's liberal ideology, it was a necessary expenditure from a pragmatic viewpoint. A significant percentage of the increase in military assistance was necessary in order to satisfy the terms agreed upon by Israel, Egypt, and the United States during the 1979 Camp David Accords. Ever since the Accords, Israel and Egypt have remained the top two recipients of U.S. military assistance.[\[14\]](#)

Over time, the Carter Administration discovered that "in practice ... arms transfers were an indispensable instrument of policy and that if American commitments were to be maintained, and American interests were to be served in dealing with foreign nations, no drastic departures from prior practice could be sustained."[\[15\]](#) The data further shows that President Carter was unable to meet his ideological goal of reducing arms sales significantly during his Administration, and both military assistance and FMS levels were maintained at relatively high levels when he left office in 1981. Another indicator of his Administration's pragmatism is that FMS totals were a little higher than economic aid funding and significantly higher than military assistance for the majority of the years he was in office. We will revisit President Carter's pragmatism below when examining the Somalia foreign aid and FMS data.

President Reagan posed a very pragmatic view of military assistance. During his 1985 State of the Union Address, he stated that, "The Congress should understand that dollar for dollar, military assistance contributes as much to global security as our own defense budget." Later that year he also said "Security [military] assistance is, quite simply, the most effective instrument we have for helping to shape a more secure international environment."[\[16\]](#) The [Figure 1](#) data supports his philosophy, e.g., military assistance increased over \$10.5 billion in 1984 and then fell gradually. This decline was unlikely due to a change of philosophy; rather, because Congress was less generous in foreign aid appropriations during President Reagan's second term.[\[17\]](#) Undoubtedly, substantial financial deficits and skepticism stemming from the Iran-Contra activities created a political environment in which Congress was reluctant to increase foreign aid funding.

Economic aid and FMS annual expenditures gradually increased during George H.W. Bush's Administration, with some slight fluctuations. However, military assistance declined during his term, likely due to Congressional efforts to reduce the federal budget deficit.[\[18\]](#) The end of the Cold War created a situation in which developmental assistance was considered more important than military assistance. Later, President Bush and his Administration found greater usefulness in providing military assistance. Toward the end of his term, his national security strategy stated, "It is time to refashion our military assistance. We need to increase funding for programs designed to facilitate [the] transition of foreign militaries to democratic system."[\[19\]](#)

Economic aid and FMS disbursements dropped sharply during President Clinton's first term, but then increased significantly during his second term. The sharp increases during his second term likely reflect pragmatism resulting from the difficulty he was experiencing getting funding cooperation from the Republican-controlled Congress. Military assistance declined slightly during his two terms in office. Congress approved a 1993 Executive Branch request for \$2.5 billion in foreign assistance for republics of the Former Soviet Union. The budget appropriations to fill this request were met by stripping funding from other regions and resulted in no actual increases in total expenditures for 1993.[\[20\]](#) President Clinton realized the importance of foreign aid/FMS and attempted to pass legislation that increased his options. His Administration felt that the Executive Branch required more flexibility in managing these programs and needed to consolidate funds into a more narrow set of appropriation accounts focused on strategic objectives as articulated by the Executive Branch.[\[21\]](#) The bill ultimately passed in the House, but failed in the Senate.

In 2002, President George W. Bush's Administration proposed an increase of 50 percent over the next three years through the creation of a Millennium Challenge Account (MCA), a fund that would provide \$5 billion per year to a select group of countries that are "ruling justly, investing in their people, and establishing economic freedom."[\[22\]](#) In that same year, the Bush Administration unveiled a National Security Strategy which stressed the importance of "development and aid alongside defense and diplomacy."[\[23\]](#) It is clear that his Administration was inspired more by pragmatism than ideology since the increases in aid were used to garner support for America's War on Terror. Shortly after the September 11, 2001 terrorist attacks and commencement of Operation Enduring Freedom, President Bush's Administration disbursed \$250 million to Jordan, \$600 million to Pakistan, and \$297 million to Afghanistan, all viewed as "regional frontline states."[\[24\]](#) Eventually, his Administration used \$5 billion from supplemental bills to again provide aid to Jordan, Pakistan, Afghanistan, and other countries that were viewed as being essential partners in the War on Terror.[\[25\]](#) The Bush Administration realized that the United States needed to employ "soft power" along with military power in an effort to reduce the poor perception of the United States that was growing around the world. Many within the Bush Administration acknowledged that "global poverty and inequality threaten U.S. security and national interests."[\[26\]](#) His Administration used significant increases in economic aid to achieve this aim. For these reasons, along with a Congress that was willing to provide the funding, explain the substantial increases in both economic aid and military assistance during Bush's Presidency. From 2001-2007 economic aid nearly doubled (from \$15 billion to \$29 billion), military assistance increased from \$4.5 billion to \$13 billion, and FMS sales declined by \$2 billion—from \$14.5 billion to \$12.5 billion.[\[27\]](#)

Foreign Aid (Economic Aid and Military Assistance) and FMS to Ethiopia

Following World War II, U.S. foreign aid and FMS performed a critical pragmatic role in foreign policy with Ethiopia. Military assistance was used to negotiate with Haile Selassie, the Emperor of Ethiopia, to ensure access to Kagnew Communications Station. The U.S. maintained the Kagnew listening station in Eritrea (federated under Ethiopia in 1952) from the 1940s until the late 1970s. Kagnew was significant to the U.S. because it "possessed an inherent ability to transmit radio signals back to Washington from the Middle East, Europe, North Africa, and the Pacific theater, as well as to listen in on transmissions in the Middle East and Africa."[\[28\]](#)

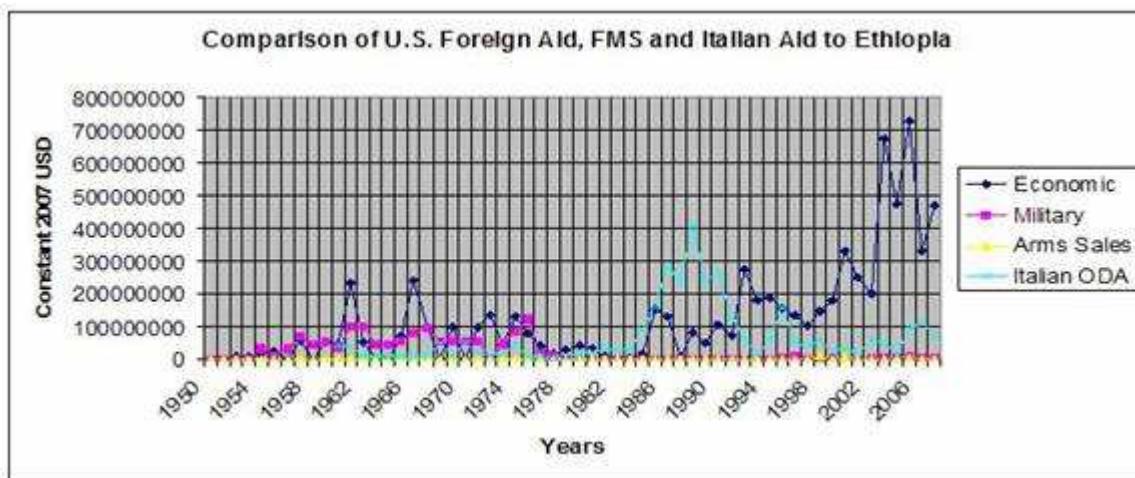
Immediately after World War II, Haile Selassie requested military assistance from the United States, which was initially denied by the State Department. Interestingly, his request was denied because officials determined that Ethiopia's government would be unable to afford the cost of sustaining a larger military.[\[29\]](#) The State Department's analysis at that time was accurate and would eventually become reality when, in the late 1960s, Ethiopia possessed one of the "highest military expenditure/central government expenditure ratios in the world."[\[30\]](#) The economic sacrifices Selassie made to resource his military would ultimately become a key reason for his demise.

In the 1960s and early 1970s, Kagnew gained greater importance as a critical communication node for the command and control of Polaris nuclear submarines operating in the Indian Ocean.[\[31\]](#) For many years, Kagnew remained as a significant intercept site of Soviet space operations data. This data was valuable to U.S. missile development. Finally, the Horn of Africa was of strategic value to the United States because it was viewed as "NATO's southern flank."[\[32\]](#)

The U.S. provided a gradually increasing level of military assistance to Ethiopia in what was essentially "Arms for Access" to Kagnew. The realization that military assistance could potentially have negative long-term effects on Ethiopia was not an absolute deterrent to providing assistance. For the United States, the pragmatic military necessity of maintaining Kagnew during the Cold War was more significant than the realization that Ethiopia could not afford a large army.

The low levels of support in the early 1950s depicted on [Figure 2](#) indicate that the United States was, initially, merely seeking to achieve its "political objective" in Ethiopia while avoiding a "military buildup." Military buildup was considered undesirable because it would place a heavy financial burden on the Ethiopian government—or require the United States to provide support indefinitely.[\[33\]](#)

Figure 2



[Figure 2](#) further illustrates how, in the late 1950s, the United States began to increase military assistance to Ethiopia. Another major reason for the change in U.S. policy toward Ethiopia was Emperor Selassie's power of persuasion. He anticipated the security threat posed to Ethiopia by Great Britain's decolonization of British Somaliland in 1960. Emperor Selassie wanted to strengthen his military to successfully repel a possible Somali invasion that, in his mind, was imminent.[\[34\]](#) The emperor used Kagnew as a "blackmail" tool to manipulate the United States into providing more military assistance. To improve his advantage, Emperor Selassie went to the Soviet Union in 1959 and negotiated a \$100 million loan to ensure the United States seriously considered his demands.[\[35\]](#)

The Emperor's negotiating proved effective. In 1960, the United States signed a secret executive agreement with Ethiopia that included an "enhanced security framework for cooperation."[\[36\]](#) This obligated the United States to train and equip an army of 40,000 Ethiopian soldiers, an air force with fighter jets, and guaranteed the continuation of military assistance to Ethiopia in return for access to Kagnew.[\[37\]](#) [Figure 2](#) shows the spike in both economic aid and military assistance in response to Emperor Selassie's requests.

That same year, Emperor Selassie's Imperial Bodyguards attempted their first coup of Selassie, but failed—in part, because of U.S. intervention.[\[38\]](#) The spike in economic and military assistance in 1961-1962 was a U.S. effort to prop up Selassie's regime in order to maintain access to Kagnew.

In those years, it was becoming obvious that Selassie was losing popularity: "Many forward-thinking Ethiopians viewed U.S. military assistance to Ethiopia as helping to maintain an increasingly unpopular regime."[\[39\]](#) Besides Selassie's growing lack of popularity, he also had to contend with Eritrean rebels fighting for independence and a war with Somali fighters in the Ogaden region that he predicted to be inevitable. A significant part of the United States' increased aid was to assist Selassie in maintaining control of these turbulent regions.

In 1974, a military coup d'état occurred in Ethiopia that ended Emperor Selessie's regime. A popular uprising accompanied the coup. The people were outraged by a famine in Northeastern Ethiopia that caused many deaths, and there was a general dissatisfaction with Selessie's regime. [Figure 2](#) illustrates a spike in economic aid in response to the hardship caused by the famine. The accompanying increases in military assistance are also, most likely, an effort by the Ford Administration to gain influence with the new regime in Ethiopia. Eventually, Mengistu Haile Mariam took control of Ethiopia and established a Marxist-Leninist government that eventually broke ties with the United States, while pursuing[\[40\]](#) "political, economic, and military alignment with the Soviet Union."[\[41\]](#)

In the 1970s, significant shifts were also occurring in the Cold War that was affecting U.S. and Soviet strategic positions in the Horn of Africa. This statement reflects the significance of the changes:

1973 and 1974 were the key years as far as U.S. policy on the Red Sea/Horn of Africa was concerned. The growing penetration by the Soviet Union in Somalia and South Yemen, its own weakened naval position in the Red Sea, the oil embargo, the war between Ethiopia and Eritrea, and the anti-American government in Ethiopia all appeared to negate the once-powerful American position on the Horn.[\[42\]](#)

Pragmatic decision-making would suggest that decisions regarding foreign aid/FMS must attempt to reverse the decline of U.S. influence in the region. However, the Ford and Carter Administrations chose an ideological approach to foreign policy in the region by punishing regimes for their human rights violations. As such, both economic and military assistance declined in the mid-1970s.

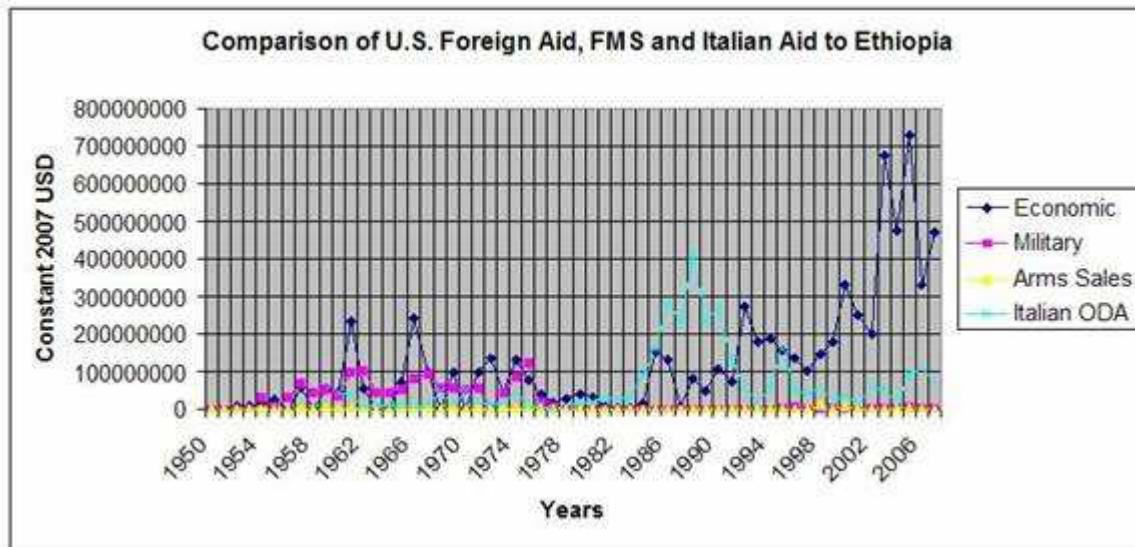
Presidents Ford and Carter were able to choose ideology over pragmatism because the U.S. presence in the Horn of Africa became much less important with the establishment of the U.S. naval base in Diego Garcia. President Ford reduced military assistance to Ethiopia in 1975. In 1977, due to the human rights violations, his successor, President Carter, subsequently cut off military assistance to Ethiopia. Within a few months, Ethiopia closed U.S. military facilities, and the United States completely cut military assistance to Ethiopia.[\[43\]](#) With that, the Soviet Union got the opportunity it had been waiting for since the 1950s and subsequently replaced Somalia with Ethiopia as its arms client in the region. In November 1977, the Soviet Union airlifted a substantial amount of military assistance to Ethiopia.[\[44\]](#) In short order, the Soviet Union provided \$1 billion in military hardware to Ethiopia, along with 1,500 military advisors.[\[45\]](#) Between 1978 and 1983, Mengistu used approximately \$5 billion in Soviet military assistance to make the Ethiopian armed forces the "best equipped in East and Sub-Saharan Africa."[\[46\]](#) At this point, U.S. influence in the Horn of Africa was at an all-time low.

The United States provided minimal economic aid to Ethiopia following President Carter's decision to cut aid in 1977, until the 1984 drought, which was causing significant suffering within the region. [Figure 2](#) illustrates the significant increase in economic aid provided to Ethiopia by the United States and its former colonial ruler, Italy, following the drought. There was also a spike in economic aid during the early to mid-1990s, when the United States and the United Nations were focused on humanitarian operations in the Horn of Africa. The graph further illustrates a tremendous increase in economic aid following the 2001 terrorist attacks on the United States, when President Bush's Administration attempted to build a coalition in the region to help fight the War on Terror. It is not by accident that in 2006, after receiving large aid packages from the United States, Ethiopia invaded Somalia in an effort to restore order and alleviate the perceived terrorist threat.

Foreign Aid (Economic Aid and Military Assistance) and FMS to Somalia

As noted in [Figure 3](#), following Somalia independence, the United States provided economic aid first. America's economic aid during the 1960s was easy to justify within Congress, since Somalia had a young, democratically elected government at the time. The United States did not provide any military assistance or conduct FMS transactions with Somalia until after 1980. Prior to 1977, Somalia received the majority of its military assistance from the Soviet Union. This military assistance relationship dates back to a \$3 million arms agreement that was established in 1963, although more frequent—and significantly larger—arms transactions also occurred between the two countries in the 1970s[\[47\]](#).

Figure 3[\[48\]](#)



Siad Barre seized power from the democratically elected leadership of Somalia in 1969. Once in power, Barre sought to form a closer relationship with the Soviet Union than the previous democratic leadership had maintained.[\[49\]](#) In 1972, a close relationship permitted the Soviet Union to begin construction of a naval base at the port of Berbera. Large quantities of arms were shipped to Somalia by the Soviet Union while facilities were being constructed.[\[50\]](#) As the Soviet Union built up Somalia, the United States focused its regional assistance in Ethiopia.

As previously noted, the Ford and Carter Administrations chose to distance U.S. foreign policy from Ethiopia in the mid-1970s due to extensive human rights violations. Beginning in 1977, the Carter Administration sought to replace the relationship the United States had with Ethiopia with a similar arrangement with Somalia. In that same year, President Carter instructed the Vice President, "Tell Cy [Vance] and Zbig [Brzezinsky] that I want them to move in every possible way to get Somalia to be our friend." [\[51\]](#) At this point, the president must have realized that the United States lost influence in the region and was determined to regain some control, even if it meant placing pragmatism before ideology. President Carter became even more concerned about the lack of U.S. clout when the 1979 Iranian Revolution deposed the Shah, who was a strong U.S. ally. Carter's concerns were likely further affirmed by the Soviet Union's invasion of Afghanistan that same year.

Beginning in 1977, the Carter Administration began providing defensive weapons to Somalia. Shortly thereafter, Somalia again invaded the Ogaden region of Ethiopia. The Carter Administration responded to their offensive actions into the Ogaden by withholding any further military assistance.[\[52\]](#) The Soviet Union's reaction to the aforementioned Somalia attack into Ethiopia was to conduct a military equipment airlift operation in support of Ethiopia. Additionally, Fidel Castro provided 17,000 Cuban troops to aid the Ethiopians.[\[53\]](#) This left the Soviets with

advisors in both Ethiopia and Somalia. Upset by the airlift to Ethiopia, Barre's government ordered the Soviet advisors out of his country and ended his relationship with the Soviet Union.^[54] In 1978, Barre ordered the Somali forces to withdraw from Ethiopia after suffering significant losses and failing to secure any military assistance from President Carter's Administration.

In 1978, Ethiopia and Somalia reached a peace agreement. In 1980, with peace secured, the United States signed a formal, ten-year base rights agreement with Somalia.^[55] Subsequently, the United States provided military assistance to Somalia, essentially in exchange for the right to establish air and naval bases within Somalia's borders. The United States brokered the agreement in order to counter the significant Soviet presence in Ethiopia.^[56] It is also apparent that the substantial U.S. military assistance and FMS transactions with Somalia in the 1980s were evidence of America's intention to "fill the vacuum created by the Soviet Union's departure" [from Somalia].^[57] The peace, however, did not last; in 1982, Ethiopian troops attacked Somalia.

As shown in [Figure 3](#), the Reagan Administration responded to the invasion by airlifting significant amounts of military equipment to Somalia via military assistance and FMS sales.^[58] It is also important to note that the purpose of the U.S. aid to Somalia was not just to repel the Soviet-supported invasion, but was also intended to gain influence with the Somali leadership. In 1984, Somalia experienced the severe drought that was plaguing the entire region. The drought and a cyclone each caused significant hardship on the Somali people. Data trends in [Figure 3](#) show that increases in assistance by both the United States and Italy appear to be pragmatic and reactive in nature, following major events such as war with Ethiopia and the 1984 natural disasters.

The United States sold approximately \$50 million (constant 2007 USD) in total FMS sales to Ethiopia and approximately \$260 million (constant 2007 USD) in total FMS sales to Somalia from 1950-2007. The reason for the increase in FMS transactions beginning in 1987 was that Somalia and Ethiopia resumed fighting that year. [Figure 3](#) further shows that during the 1989-1991 timeframe, the United States sold a higher total dollar value of weapons to Somalia through FMS transactions than the total spent on economic and military assistance. A logical explanation for the enormous FMS transaction totals is that Congress stopped aid to Somalia in 1988 due to perceived human rights violations, which limited the Reagan Administration's ability to use military assistance. The increase in FMS transactions during this timeframe suggests that President Reagan, and later the Bush Administration, used FMS transactions to continue to send military equipment to Somalia, since Congress would not fund military assistance grants. Essentially, this was a way for both Administrations to bypass the 1988 Congressional legislation freezing assistance to Somalia.

Siad Barre's government collapsed in 1991, and at this point Somalia became a failed state^[59]. In response, the United States significantly increased economic aid to Somalia as part of the United Nations' Operation Restore Hope in Somalia. During this timeframe, Italy's economic aid to Somalia almost matched U.S. economic aid totals. [Figure 3](#) illustrates that economic aid to Somalia dropped significantly following the U.S. and the United Nations' withdrawal after Operation Restore Hope. After the September 11, 2001 terrorist attacks on the United States, there was a slight increase in U.S. economic aid to Somalia to help stabilize the country. America's economic aid to Somalia increased significantly during the 2006 Ethiopian invasion into Somalia. In 2007, the Bush Administration significantly increased U.S. military assistance in an effort to strengthen the Transitional Federal Government in Somalia. All of these post-1991 responses were predominantly pragmatic, reactive responses to recurring crises and political instability.

Conclusion

The analysis of the U.S. foreign aid and FMS funding from 1950-2007 reveals that U.S. policy decisions were more often influenced by pragmatism within the Executive Branch than ideology.

Although numerous presidential Administrations entered office with ideological aspirations and determined to reduce military assistance and FMS totals, reality typically dictated pragmatic approaches that led to increases in military assistance and FMS totals, and/or reductions in economic aid. The analysis of Somalia and Ethiopia reinforces this outcome. Spikes in aid provided to these countries appear in direct response to crises that undermine U.S. strategic interests in the region.

Domestic pressures from both Congress and U.S. public opinion over issues such as human rights violations can explain some of the funding trends. At certain times, Congress has also demonstrated a reluctance to fund economic aid and military assistance, resulting in these programs being smaller than the Executive Branch may have intended.

As the United States has finite resources available for foreign aid and FMS, the assistance provided must be used prudently to achieve foreign policy objectives. Going forward, Presidential Administrations must be prepared for decisions based upon ideological influences to give way to pragmatic approaches that secure/preserve more immediate strategic interests.

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10. Department of Defense Security Assistance Agency, "Fiscal Year Series, 1995."

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27. Data used to make graph compiled from: FMS figures are from Department of Defense Security Assistance Agency, "Fiscal Year Series, 1995." Additional FMS data was extracted from Department of Defense Security Cooperation Agency ["Historical Facts Book, 2007."](#) FMS figures were adjusted to constant 2007 USD using inflation calculator from <http://www.usinflationcalculator.com/>. Economic and military assistance figures are from U.S. Agency for International Development "Green Book" Database, "[U.S. overseas loans and grants: obligations and loan authorizations, July 1, 1945-September 30, 2007](#)." Italian ODA data was extracted from [Organisation For Economic Co-Operation and Development Query Wizard or International Development Statistics](#).

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